



**WORKFORCE INNOVATION IN REGIONAL DEVELOPMENT (WIRED)
2006 PROGRAM APPLICATION GUIDELINES
EASTERN MONTANA BIO-PRODUCT DEVELOPMENT GRANTS**

In January, 2006, the US Department of Labor announced that the application from Governor Schweitzer for Montana's WIRED proposal was one of 13 approved out of over 90 applications nationwide. Montana's WIRED proposal focused on the development of the bio-product industry in 32 counties of Eastern Montana (please refer to attached map). The Department of Commerce is managing a grant program under contract with Montana Department of Labor and Industry, the Grantee, to implement part of the WIRED proposal.

The Commerce WIRED program has available annually \$3,418,278 in grant funds for customized worker training to businesses working with universities, colleges, high schools, and other training providers on specialized training and curriculum development. The program will also provide grants for WIRED eligible job training programs or projects that will enhance and expand the bio-product industry in the WIRED region. Job training project concepts not directly addressed in these guidelines should be sent to the Department of Commerce for consideration and review of eligibility under WIRED rules.

The Office of the Commissioner of Higher Education will also be managing a WIRED grant program involving two year colleges and K-12 programs and will have approximately \$1.2 million annually. A request for proposals will be released by that office. <http://www.montana.edu/wwwoche/>

The focus of the WIRED program is on projects that directly involve job training in bio-product business development and that can attain tangible, measurable results in the form of job creation and retention involving significant leveraging of other funds. Businesses involved in the production of bio-fuels and bio-lubricants with special job training needs are a special focus of the program.

WIRED grants are funded with H-1B fees as authorized under Sec. 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 (P.L. 105-277, title IV), as amended. 29 USC section 2916a(2) establishes that U.S. Department of Labor WIRED (H-1B) funds are limited by law to the following:

1. Provide job training and related activities to assist workers (including unemployed and employed workers) in gaining skills and competencies needed to obtain or upgrade career ladder employment positions in high growth industries and economic sectors.
2. Assist in the development and implementation of model activities (such as curricula to build core competencies and train workers, identify and disseminate career and skill information, and increase the integration of community and technical college activities with activities of business and the public workforce investment system).

NOTE: WIRED funds are federal so a number of federal rules apply regarding procurement, eligible costs, administrative process and audits to all grantees and are covered in more detail at the end of the application guidelines. Applicants will want to consider the federal rules when sources and uses of funds are considered and confer with the Department on possible finance structures.

BIO-PRODUCT BUSINESS DEVELOPMENT JOB TRAINING GRANTS

Eligible Applicants

Businesses that are principally engaged in the production of bio-products in the WIRED region are eligible to apply for job training grants for new and incumbent workers to expand their operations. Projects that create new jobs are the priority focus of the program. Bio-product businesses are strongly encouraged to work with the Certified Regional Development Corporation that covers the region the project is located in together with the Commerce Regional Development Officer for the area.

http://businessresources.mt.gov/BRD_rdomap.asp
http://businessresources.mt.gov/BRD_CRDC_Map.asp

Eligible Business Grant Activities

WIRED grants may be used for customized worker training for new and incumbent employees. The Department will consider on a case-by-case basis requests that include the purchase of bio-product production equipment using WIRED funds if substantial job training is required for operation and production of the equipment by incumbent and new workers. Equipment purchases directly involved in job training that require significant expenditures may involve a combination of WIRED funds and other private or public funds.

Bio-product businesses are strongly encouraged to develop formal training and commercialization agreements or arrangements with educational institutions that result in long term curriculum changes, internship, school to work programs, the development of new customized training programs, and other activities directly related to job training.

Only business projects involving job training that directly create tangible results within the WIRED region are eligible. The Department will determine case-by-case whether a proposed project concept will create sufficient economic benefit to the region if some activities occur outside of the WIRED region. The Department may consider projects that involve the use of matching funds outside of the region as long as the WIRED funds are used to assist an eligible business with job training in the WIRED region.

NOTE: WIRED funds shall not be used for any project that involves relocation of businesses within Montana to new communities or that creates a significant possibility that jobs may be lost within Montana.

Funding Thresholds

The Department will determine, at its sole discretion and based on the eligibility of job training costs proposed, the amount of WIRED funds that will be granted to a bio-product business for job training. The amount considered by the Department will be based on the demonstrated needs and potential sources of funds and will be heavily based on the amount of job training required and match provided as part of the project. An application must conclusively demonstrate the need for the amount requested. The Department will review the business plan and financial statements submitted, the hiring and training plan, and assess the proposed sources and uses of funds to determine the amount of WIRED funds granted to successful applicants. Projects must be able to demonstrate a significant positive impact on the local area and within the region. The Department will consider the size of the business proposal, in terms of jobs created or retained and the need for job training funding, relative to the community size when reviewing proposals.

Match

The minimum match requirement is one new cash dollar from unexpended grants, loans, and/or new equity for each dollar of WIRED funds requested. Projects that provide significantly higher match as leverage for the project are more likely to be funded and have applications processed more quickly. It is anticipated that grants to businesses be leveraged at a much higher rate than the minimum 1:1 and involve multiple partners to be seriously considered by the WIRED grant committee. The Department may consider lower match amounts only in very unique cases where significant need and circumstances warrant additional consideration and are documented by the applicant.

The application must include executive summaries on letterhead from each partner explaining the level of commitment to the project, activities to be conducted, and anticipated costs and justification.

1. Business Plan

Each application must include a business plan containing information that is sufficient for the WIRED grant committee to obtain an adequate understanding of the business to be assisted, including the products or services offered, estimated market potential,

management experience of principals, current financial position, and details of the proposed venture. In lieu of a business plan, the committee may consider a complete current copy of the current loan or application to entities such as the Montana Board of Investments, the federal Business and Industry Guarantee program, the Small Business Administration, and other Department of Commerce programs if the information provided is sufficient for the Department to make a decision.

The financial information submitted must demonstrate that the business to be assisted is or will be an ongoing viable company that can achieve and maintain the amount of employment projected. The Committee reserves the right to request additional information or accept reasonable variations from the information requirements listed above on a case-by-case basis if necessary to make a funding decision.

2. Financial Statements

For an existing business, provide financial statements for the two most recent years of operation that includes the following:

- o Balance Sheets
- o Profit and Loss Statements
- o Cash Flow Statements

Business start-ups and businesses operating for less than three years must provide all available financial statements. If the last complete fiscal year of the business ended 90 days or more before the application is submitted, interim financial statements should be submitted in addition to the year-end financial statements.

There should not be gaps between the historical statements and the projected statements. The projections should use the same fiscal year periods as the historical financial statements and incorporate all of the sources and uses of funds involved in the business project. Applications that contain appropriate, updated, accurate financial information can be processed much more quickly than incomplete applications that require requests for additional information.

Projections

Please provide the following projections for two years:

- Balance Sheets
- Profit and Loss Statements
- Cash Flow Statements

Confidentiality Agreements

Once information is submitted to the Department, the information is subject to the public's right to know pursuant to Article II, Section 9 of the Montana Constitution. Written information is subject to the right of citizens to inspect and copy pursuant to § 2-

6-102, MCA, unless there is an individual privacy interest that clearly exceeds the merits of public disclosure.

Prior to any potentially confidential information being submitted, the company may enter into a confidentiality agreement with the Department and provide an affidavit so that there is a clear understanding of the rights and obligations of the company relative to protection of sensitive information in Montana. A sample agreement will be provided upon request.

3. Hiring and Training Plan

The primary goal of this economic development activity is to increase year-round and permanent job opportunities and training for local residents. In the event of grant award, the applicant's commitment to the Hiring and Training Plan will be considered binding. A final hiring and training plan will be referenced in the grant agreement with the Department of Commerce. The assisted business must show substantial compliance with the hiring and training plan and a "good faith" effort toward the actual accomplishment of the hiring and training goals set out in the grant agreement before the project can be closed out.

The total amount to be potentially awarded will be based on the training plan and demonstration of need for eligible training costs. Projects must provide a detailed training plan that supports the amount requested.

Hiring goals should be reasonable and justified by the financial statements and projections. Claims for the number of jobs to be created or retained should be realistic and supported by the financial projections and business plan.

At a minimum the Hiring and Training Plan must include the following:

- A detailed description of the training curriculum and resources.
- A breakdown of jobs to be created or retained, including the number and type of jobs that are full-time, part-time, skilled, semiskilled, or unskilled positions. For applications proposing positions involving less than full-time employment, an estimate of the number of hours to be worked each week or the number of months to be worked each year for each position must be included.
- Pay levels and benefits for each job category anticipated.
- A timetable for creating the jobs and the total number of persons to be hired and trained.
- An assurance that the business will comply with the equal opportunity and nondiscrimination laws.
- Procedures for outreach, recruitment, screening, selection, training and placement of workers, especially local area job applicants.
- Written commitments from any agencies or organizations participating in the implementation of the hiring plan (e.g., Job Service, HRDC, etc.).

Please describe the kind of training that will be provided to the employees. Training should be provided to new and existing positions identified for an upgrade in skills. The employees being trained do not have to be on the payroll at the time of application to the Department; but must be on the payroll prior to and after training.

Businesses are strongly encouraged to work with local and regional educational institutions including universities, colleges, tribal colleges, and local high schools for many of the activities listed above. For example, an expanding bio-product business or businesses may want to develop a school to work program with the local high school or other educational facility to develop customized training programs, internships and apprenticeships. Projects involving activities described above in this section will be given special consideration.

Eligible costs that are not direct costs attributable to specific new employees (such as instructor costs, curriculum development and other eligible costs) must be pro-rated and allocated to each eligible new employee receiving training for which reimbursement is requested. The pro-rated costs then count towards the training cost per eligible new employee approved by the Department.

The business applicant must answer the following questions:

- How many employees do you anticipate to be trained of those listed on the hiring and training plan?
- What is the method of training or how will the training be accomplished and by whom? Will the training be provided on-site by the company or a contractor, provided out-of-state, or provided by an educational institution, or a combination of methods?
- For training funded with this grant, what will be the duration of the training period? When is the training period expected to begin and end? NOTE: The training period for which funds are used generally should not extend for more than **one year** per each individual.
- What does the company expect to accomplish at the end of the project?
- List the starting wage and the wage to be paid after training for each position.
- List the job benefits to be paid and explain when benefits will begin.

Business Project Funding Criteria

The review of the application will be expedited and the application's likelihood of being funded will increase if the business that will be assisted has adequately demonstrated that:

- a. All requirements are met or exceeded.
- b. The level of WIRED assistance for eligible job training expenses is appropriate in relation to the eligible training costs proposed and the public benefit expected to result from the project.

- c. The grant review committee will place greater weight on job quality and wages paid when evaluating projects for funding.
- d. The proposed management is experienced in the type of business activities proposed and has demonstrated the capacity to successfully manage the entity to be assisted.
- e. The application is complete as submitted and contains accurate information.
- f. The earnings projections submitted with the application are realistic and attainable, confirm the number of jobs to be created and/or retained, are supported by historical trends and industry norms, and indicate that the projected cash flow is sufficient to support the proposed increased debt.
- g. The application documents a sound, well-reasoned proposal with a perceived strong chance for success if WIRED funds are received.
- h. The private and/or public sector lenders or investors involved in the project have provided firm commitment of funds.
- i. The project is ready to proceed upon the notification of the tentative award and implementation will begin immediately.
- j. The application conclusively demonstrates that the project will support itself over time and will not impose a burden on any entity participating in the project.
- k. Applications where viability may be questionable, or where the overall business plan or need for WIRED assistance is not adequately documented, may be restructured, renegotiated or not funded, depending on the severity and nature of the problems identified.

BIO-PRODUCT BUSINESS TRAINING GRANTS

The WIRED program will also provide grants for direct bio-product business training assistance and job training programs.

Eligible applicants for this category include tribal governments, Certified Regional Development Corporations, colleges, tribal colleges, universities, and other business development and technical assistance providers. Activities must be conducted within the WIRED region and must be focused on new or increased direct bio-product business training assistance and employee development.

Examples of eligible projects:

- A CRDC may apply for multi-year funding to provide bio-product business training and technical assistance.
- A technical assistance provider, such as the Montana Manufacturing Extension Center, may apply for funding to work with bio-product businesses to increase

production plant efficiency by training company employees within the WIRED region.

The Department will consider applications for approximately two year periods depending on the timing of the applications and availability of funds. WIRED funds must be matched at least 1:1, at the Department's discretion, with funding committed and available before WIRED funds are advanced. Applicants can send an executive summary to the Department for initial review. Additional information will be requested as needed by the Department to make a final decision.

TRIBAL GOVERNMENT SET-ASIDE

Tribal governments within the WIRED region may apply for up to \$50,000 annually for job training, curriculum development, and other job training related concepts that meet WIRED eligibility requirements. These funds are in addition to the other categories listed above. No match is required in the set-aside but using other funds is preferred in order to maximize the impacts of using WIRED funds for job training activities. Applicants can send an executive summary to the Department for initial review. Additional information will be requested as needed by the Department to make a final decision.

FEDERAL RULES AND REGULATIONS

WIRED funds are federal so a number of federal rules apply to all grantees. The federal Department of Labor requires in 20CFR667.200 that recipients follow Office of Budget and Management Circulars that define procurement requirements, eligible expenses, and other administrative and audit compliance regulations. Commercial for-profit contractors (grantees) are governed by requirements published at 48 CFR Chapter 1, Part 31 for cost principles and 29CFR, Parts 95 and 96 regarding administrative and audit requirements. Please note that WIRED statutes limit the uses of funds more than the circulars and CFRs. If there is a question regarding eligibility it highly recommended that the Department be contacted and that all expenditures be directly related to job training and curriculum development.

Although the Department is attempting to summarize the regulations and focus projects in ways that trigger fewer requirements ultimately it is the grantee's responsibility to comply with the applicable requirements listed above and in 20CFR667.200 – provided below.

States, local governments, and Indian Tribes follow:

- A-87 for cost principles
- A-102 for administrative requirements (29 CFR, Part 97), and
- A-133 for audit requirements

Educational Institutions (even if part of a State or local government) follow:

- A-21 for cost principles
- A-110 for administrative requirements (29 CFR, Part 95), and
- A-133 for audit requirements

Non-Profit Organizations follow:

- A-122 for cost principles
- A-110 for administrative requirements (29 CFR, Part 95), and
- A-133 for audit requirements

For-Profit Commercial Organizations follow:

- 48 CFR, Chapter 1, Part 31 for cost principles
- 29 CFR, Part 95, for administrative requirements
- 29 CFR, Part 96 for audit requirements

Circulars and complete versions of the Code of Federal Regulations that apply can be found at these sites:

OMB Circulars: www.whitehouse.gov/omb/circulars/index.html

48 CFR and 29 CFR: <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1>

OVERVIEW OF REGULATIONS INVOLVING GRANTS TO FOR-PROFIT ENTERPRISES FROM WIRED FUNDS

Because local governments, non-profits, colleges, tribes, and other potential WIRED recipients regularly manage federal funds and should be familiar with the applicable OMB Circulars listed above, the focus of this overview is for-profit businesses that are less likely to be familiar with federal grant regulations and procurement and cost principles. Although the Department is attempting to summarize the regulations and focus projects in ways that trigger fewer requirements, ultimately it is the grantee's responsibility to know and comply with the applicable requirements. Please note that WIRED statutes limit the uses of funds more than the circulars and CFRs. If there is a question regarding eligibility it is highly recommended that the Department be contacted and that all expenditures be related to job training and curriculum development.

Audits

Commercial organizations which are subrecipients under WIA title I and which expend more than the minimum level specified in OMB Circular A-133 (\$300,000 as of August 11, 2000) must have either an organization-wide audit conducted in accordance with A-133 or a program specific financial and compliance audit. See 29CFR, Part 96

http://www.access.gpo.gov/nara/cfr/waisidx_05/29cfr96_05.html

Cost Principles – 48CFR, Chapter 1, Part 31 for details

http://www.access.gpo.gov/nara/cfr/waisidx_05/48cfr31_05.html

The simplest way to comply with cost principles is to focus on the following allowed job training expenses discussed below and to consult the appropriate federal section for detailed guidance. Business applicants should avoid all other costs. If in doubt please contact the Department and also review the applicable CFR section.

http://a257.g.akamaitech.net/7/257/2422/08aug20051500/edocket.access.gpo.gov/cfr_2005/julqtr/29cfr95.34.htm

Training - Please refer to the applicable section for more detail.

Eligible training costs that may be reimbursable include but are not limited to the following:

1. Salaries of in-house trainers during training activities involving eligible employees;
2. Direct costs of training such as manuals, materials, supplies, tuition, prorated shares of consultant or training fees for related training;
3. Domestic travel for training;
4. Development of training curriculum and materials;
5. Proportionate costs of equipment used directly during training only – please refer to details in next section;
6. Proportionate costs of inventory used directly during training only;
7. Material Costs for job training;
8. Professional Services for job training; and
9. Manufacturing, maintenance, and repair costs specific to the use of equipment for job training

Job Training – Equipment Costs

A proportionate amount of costs for the use of equipment during training activities can be eligible for WIRED funds. Generally the cost charged to the WIRED program can consist of estimated proportionate equipment costs based on the following potential sources of information:

1. Actual historical costs previously experienced by the company with similar equipment including operating, maintenance, and repair costs.
2. The equipment manufacturer's estimated average hourly cost to operate the equipment.
3. The anticipated annual depreciated value for the equipment using approved current federal schedules and annual operating, maintenance, and repair costs.
4. Reasonable estimates based on the best information available such as industry norms.

WIRED funds can only be used to reimburse a portion of the equipment costs based on the training program proposed and during the duration of the training contract with Commerce.

For example:

A company is proposing to purchase equipment valued at \$1 million and needs to train existing and new workers over a two year time period.

If the equipment is depreciated at \$100,000 a year for two years a cost of \$200,000 can be partially reimbursed by the WIRED program based on the time periods for which job training occurs on the equipment. A preferred option is to develop an hourly estimate for the use of the equipment that includes costs for maintenance and repair for the use of the equipment that can be charged for training activities.

If it costs \$50,000 (totally hypothetical) to operate the equipment annually then the total cost that can be applied for WIRED funds would be the annual operating cost of \$50,000 plus the depreciated cost of \$100,000 divided by the percentage of time the equipment was used for job training.

If the total cost of operating the equipment annually is \$150,000 and it is operated an average of 2,080 hours a year then the average hourly cost could be estimated at \$72.12 per hour. The amount charged to the WIRED grant would be based then on how many hours and how many employees were trained on the equipment based on the training plan. Other eligible training expenses discussed above can be added to this hourly amount to develop an estimated total hourly cost for training.

Businesses using this methodology would not have to follow federal procurement and disposition regulations for the equipment involved.

<http://a257.g.akamaitech.net/7/257/2422/09nov20051500/edocket.access.gpo.gov/cfr/2005/octqtr/48cfr31.205-44.htm>

Ineligible costs include but are not limited to:

- **Salaries of employees during training activities;**

- Costs not directly tied to documented eligible job training expenses.
- Costs incurred prior to the contract approval date are not eligible.
- If a business or part of a business relocation results in any employee losing his or her jobs at the original location, WIRED Funds cannot be used until the company has operated at the new location for 120 days. (20 CFR § 667.268 (a) (2))
- A trainee must not displace any currently employed employee (as of the date of the training). (20 CFR § 667.270)
- WIRED funds cannot be used for construction or purchase of facilities or buildings. (20 CFR § 667.260) Funds may not be used to directly or indirectly assist, promote or deter union organizing (20 CFR § 663.730) or sectarian activities (20 CFR § 667.266).
- WIRED funds cannot be used for foreign travel (20 CFR § 667.264 (b)).

Procurement

<http://a257.g.akamaitech.net/7/257/2422/08aug20051500/edocket.access.gpo.gov/cfr/2005/julqtr/29cfr95.44.htm>

Recipients shall make available to Commerce pre-award and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply:

- (1) A recipient's procurement procedures or operation fails to comply with the procurement standards in this part.
- (2) The procurement is expected to exceed the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$25,000) and is to be awarded without competition or only one bid or offer is received in response to a solicitation.
- (3) The procurement, which is expected to exceed the small purchase threshold, specifies a "brand name" product.
- (4) The proposed award over the small purchase threshold is to be awarded to other than the apparent low bidder under a sealed bid procurement.
- (5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.

Records Retention

Grantees must retain records generally for three years after the end of the contract period and three years after any disposition of property purchased with WIRED funds. See the section below for details.

<http://a257.g.akamaitech.net/7/257/2422/08aug20051500/edocket.access.gpo.gov/cfr/2005/julqtr/29cfr95.53.htm>

20CFR667.200

TITLE 20--EMPLOYEES' BENEFITS

CHAPTER V--EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR

PART 667_ADMINISTRATIVE PROVISIONS UNDER TITLE I OF THE WORKFORCE INVESTMENT ACT--Table of Contents

Subpart B_Administrative Rules, Costs and Limitations

Sec. 667.200 What general fiscal and administrative rules apply to the use of WIA title I funds?

(a) Uniform fiscal and administrative requirements. (1) Except as provided in paragraphs (a)(3) through (6) of this section, State, local, and Indian tribal government organizations that receive grants or cooperative agreements under WIA title I must follow the common rule ``Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" which is codified at 29 CFR part 97.

(2) Except as provided in paragraphs (a)(3) through (7) of this section, institutions of higher education, hospitals, other non-profit organizations, and commercial organizations must the follow the common rule implementing OMB Circular A-110 which is codified at 29 CFR part 95.

(3) In addition to the requirements at 29 CFR 95.48 or 29 CFR 97.36(l) (as appropriate), all procurement contracts and other transactions between Local Boards and units of State or local

governments must be conducted only on a cost reimbursement basis. No provision for profit is allowed. (WIA sec. 184(a)(3)(B).)

(4) In addition to the requirements at 29 CFR 95.42 or 29 CFR 97.36(b)(3) (as appropriate), which address codes of conduct and conflict of interest issues related to employees:

(i) A State Board member or a Local Board member or a Youth Council member must neither cast a vote on, nor participate in any decision-making capacity, on the provision of services by such member (or any organization which that member directly represents), nor on any matter which would provide any direct financial benefit to that member or a member of his immediate family.

(ii) Neither membership on the State Board, the Local Board, the Youth Council nor the receipt of WIA funds to provide training and related services, by itself, violates these conflict of interest provisions.

(5) The addition method, described at 29 CFR 95.24 or 29 CFR 97.25(g)(2) (as appropriate), must be used for the all program income earned under WIA title I grants. When the cost of generating program income has been charged to the program, the gross amount earned must be added to the WIA program. However, the cost of generating program income must be subtracted from the amount earned to establish the net amount of program income available for use under the grants when these costs have not been charged to the WIA program.

(6) Any excess of revenue over costs incurred for services provided by a governmental or non-profit entity must be included in program income. (WIA sec. 195(7)(A) and (B).)

(7) Interest income earned on funds received under WIA title I must be included in program income. (WIA sec. 195(7)(B)(iii).)

(8) On a fee-for-service basis, employers may use local area services, facilities, or equipment funded under title I of WIA to provide employment and training activities to incumbent workers:

(i) When the services, facilities, or equipment are not being used by eligible participants;

(ii) If their use does not affect the ability of eligible participants to use the services, facilities, or equipment; and

(iii) If the income generated from such fees is used to carry out programs authorized under this title.

(b) Audit requirements. (1) All governmental and non-profit organizations must follow the audit requirements of OMB Circular A-133. These requirements are found at 29 CFR 97.26 for governmental organizations and at 29 CFR 95.26 for institutions of higher

education, hospitals, and other non-profit organizations.

(2)(i) We are responsible for audits of commercial organizations which are direct recipients of Federal financial assistance under WIA title I.

(ii) Commercial organizations which are subrecipients under WIA title I and which expend more than the minimum level specified in OMB Circular A-133 (\$300,000 as of August 11, 2000) must have either an organization-wide audit conducted in accordance with A-133 or a program specific financial and compliance audit.

(c) Allowable costs/cost principles. All recipients and subrecipients must follow the Federal allowable cost principles that apply to their kind of organizations. The DOL regulations at 29 CFR 95.27 and 29 CFR 97.22 identify the Federal principles for determining allowable costs which each kind of recipient and subrecipient must follow. The applicable Federal principles for each kind of recipient are described in paragraphs (c)(1) through (5) of this section; all recipients must comply with paragraphs (c)(6) and (c)(7) of this section. For those selected items of cost requiring prior approval, the authority to grant or deny approval is delegated to the Governor for programs funded under sections 127 or 132 of the Act.

(1) Allowable costs for State, local, and Indian tribal government organizations must be determined under OMB Circular A-87, ``Cost Principles for State, Local and Indian Tribal Governments."

(2) Allowable costs for non-profit organizations must be determined under OMB Circular A-122, ``Cost Principles for Non-Profit Organizations."

(3) Allowable costs for institutions of higher education must be determined under OMB Circular A-21, ``Cost Principles for Educational Institutions."

(4) Allowable costs for hospitals must be determined in accordance under appendix E of 45 CFR part 74, ``Principles for Determining Costs Applicable to Research and Development Under Grants and Contracts with

Hospitals."

(5) Allowable costs for commercial organizations and those non-profit organizations listed in Attachment C to OMB Circular A-122 must be determined under the provisions of the Federal Acquisition Regulation (FAR), at 48 CFR part 31.

(6) For all types of entities, legal expenses for the prosecution of claims against the Federal Government, including appeals to an Administrative Law Judge, are unallowable.

(7) In addition to the allowable cost provisions identified in paragraphs (c)(1) through (6) of this section, the cost of information technology--computer hardware and software--will only be allowable under WIA title I grants when such computer technology is "Year 2000 compliant." To meet this requirement, information technology must be able to accurately process date/time (including, but not limited to, calculating, comparing and sequencing) from, into and between the twentieth and twenty-first centuries, and the years 1999 and 2000. The information technology must also be able to make leap year calculations. Furthermore, "Year 2000 compliant" information technology, when used in combination with other information technology, must accurately process date/time data if the other information technology properly exchanges date/time with it.

(d) Government-wide debarment and suspension, and government-wide drug-free workplace requirements. All WIA title I grant recipients and subrecipients must comply with the government-wide requirements for debarment and suspension, and the government-wide requirements for a drug-free workplace, codified at 29 CFR part 98.

(e) Restrictions on lobbying. All WIA title I grant recipients and subrecipients must comply with the restrictions on lobbying which are codified in the DOL regulations at 29 CFR part 93.

(f) Nondiscrimination. All WIA title I recipients, as the term is defined in 29 CFR 37.4, must comply with the nondiscrimination and equal opportunity provisions of WIA section 188 and its implementing regulations found at 29 CFR part 37. Information on the handling of discrimination complaints by participants and other interested parties may be found in 29 CFR 37.70 through 37.80, and in Sec. 667.600(g).

(g) Nepotism. (1) No individual may be placed in a WIA employment activity if

a member of that person's immediate family is directly supervised by or directly supervises that individual.

(2) To the extent that an applicable State or local legal requirement regarding nepotism is more restrictive than this provision, such State or local requirement must be followed.

WIRED GRANT APPLICATION SUBMITTAL PROCESS

The Business Resources Division in the Montana Department of Commerce is the primary point of contact for initiating a grant application and working through the process leading to a grant award. There is a summary application form attached to these guidelines for business applications. Applicants do not have to use the application form and can use a similar form as long as the same information is provided within the application. The application should be submitted with a cover letter on official letterhead of the applicant and signed by an authorized official. Each proposal must also include letters from all participants and partners to the application. **Bio-product businesses are strongly encouraged to work with the Certified Regional Development Corporation that covers the region the project is located in together with the Commerce Regional Development Officer for the area.**

http://businessresources.mt.gov/BRD_rdomap.asp
http://businessresources.mt.gov/BRD_CRDC_Offices.asp
<http://businessresources.mt.gov/Includes/CRDC/CRDC%20Map%202005.pdf>

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